



1ST QUARTER FISCAL YEAR 2001 HIGHLIGHTS

K Basin Fuel Removal Begins

Our cover photos illustrate a major step forward in Hanford cleanup that took place this past quarter: the initiation of spent fuel removal from the K Basins. Although spent fuel is routinely dried and stored at nuclear power plants around the world, the task at Hanford has never been attempted anywhere before. One factor is that the Hanford fuel is solid uranium metal, unlike the oxide powder or pellet form used in most commercial nuclear reactors – making the job one of the riskiest and toughest in the cleanup universe.

When the transport trailer bearing the first canister loaded with spent fuel pulled out of the loadout bay at the

K West Basin on December 7, it was a sight cheered by the dozens of Spent Nuclear Fuel Project employees and observers on hand. The achievement is a source of great pride for the nearly 800 dedicated Project workers who made it happen, and I was proud to join them on that historic day in signing a commemorative poster. Joining me were Keith Klein, manager of the Department of Energy's Richland Operations Office, Dave Van Leuven, Fluor Hanford executive vice president who has capably led the Project team for the past six months, and Phil Loscoe, director of Spent Nuclear Fuels for DOE-Richland.

Safety Performance Sets Records

Equally impressive was the superb safety record of the Spent Nuclear Fuel Project team – well over two million

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safe work hours without a lost workday injury. Their contribution enabled the full Fluor Project Hanford team to achieve a DOE complex “best” record of 11 million safe work hours.

Fluor Hanford also earned an Association of Washington Business “Better Workplace” merit award for firms with more than 250 employees because of “strong support for workplace safety and employee involvement in workplace improvements.” Indeed, the nearly one full year without an injury causing a workday to be lost was the result of the diligent efforts of all 5,500 employees to improve the safety and quality of work performed.

Focus Is On Outcomes

In this report, you’ll learn more about our spent fuel work and our safety achievements, along with other cleanup progress. In addition to a redesign for Fiscal Year 2001, we’ve grouped accomplishments by outcome:

restoring the river corridor, transforming the central plateau for long-term waste management, and preparing for the future. We’re including the contributions of our technology management partner, the Battelle-run Pacific Northwest National Laboratory, and noting key environmental restoration work led by our colleague, Bechtel Hanford.

I am pleased that DOE extended our role in Hanford’s cleanup through fiscal 2006, and look forward to keeping you apprised of our ongoing progress.



*President and Chief Executive Officer
Fluor Hanford*

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This fiscal year, Fluor Hanford and its subcontractors, along with DOE's Environmental Restoration Contractor, Bechtel Hanford, are expected to achieve 23 key milestones spelled out in the Tri-Party Agreement that governs Hanford cleanup. Fluor Hanford is directly responsible for eight of those milestones. The chart shows two are overdue. Unexpected technical and mechanical issues precluded full cleanout of the mixed waste and equipment in the radiochemical engineering room known as B Cell in the 300 Area's 324 Building by the November 30 Tri-Party Agreement due date. However, the River Corridor Project has made a commitment to complete the task by the end of March. Also, thermal treatment of low-level waste by a local vendor did not gear up to full operations as planned this past quarter, but is expected to get under way in the current quarter.

Tri-Party Agreement Milestones

